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1965

HUGH-PAM PORCUPINE MINES LIMITED

Annual Report *to* *The Shareholders*

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 1965



THE ANNUAL MEETING WILL BE HELD ON TUESDAY, JUNE 7,
1966, AT 3:30 P.M., TORONTO TIME, AT THE OFFICES OF
THE COMPANY, 7th FLOOR, 105 ADELAIDE STREET
WEST, TORONTO, ONTARIO

HUGH-PAM PORCUPINE MINES LIMITED

OFFICERS

H. F. BROWNBILL

President

F. G. LAWSON

Vice-President

W. H. MAEDEL

Vice-President and Secretary-Treasurer

DIRECTORS

H. F. BROWNBILL

L. B. HARDER

D. G. LAWSON

F. G. LAWSON

W. H. MAEDEL

TRANSFER AGENTS AND REGISTRARS

TORONTO, CANADA
EASTERN & CHARTERED TRUST COMPANY

JERSEY CITY, U.S.A.
REGISTRAR AND TRANSFER COMPANY

AUDITORS

SIME, AYERS & CO.

BANKERS

BANK OF MONTREAL

SOLICITORS

LANG, MICHENER, CRANSTON, FARQUHARSON & WRIGHT

HEAD OFFICE

105 ADELAIDE ST. WEST, TORONTO, ONTARIO

HUGH-PAM PORCUPINE MINES LIMITED

Annual Report of the Directors

Your directors present herewith the Annual Report of the Company for the year ended December 31, 1965 including the Balance Sheet, Statement of Deficit, Statement of Operations and Auditors' Report.

A net loss of \$12,951 was incurred for the year 1965 as set out in the Statement of Operations, compared to a net loss of \$108,653 for the year 1964. The amount claimed under the provisions of the Emergency Gold Mining Assistance Act was \$30,697 as against \$42,491 for the previous year.

During 1965, 2,987 ounces of gold were recovered from 23,954 tons milled, for a recovered grade of 0.127 ounces of gold per ton. Following the suspension of underground exploration, as stated in last year's Annual Report, the remainder of the ore reserves was mined out and all operations terminated in September, 1965, co-incident with the shut-down of the Broulan Reef Mine, through which shaft and workings the Hugh-Pam Mine was operated.

Net current assets and investments at quoted market value totalled \$401,177 as at December 31, 1965 compared to \$329,698 as at the previous year-end. As at December 31, 1965 the Company's principal investment was 39,000 shares of Brazilian Traction, Light and Power Company Ltd.

It is the policy of the Company to be alert to opportunities for continuing its activities in the mining industry. Opportunities in the oil industry are also under active investigation.

On behalf of the Board of Directors,



President.

Toronto, Ontario.

May 11, 1966.

HUGH-PAM PORCUPINE MINES LIMITED

(Incorporated under the laws of Ontario)

Balance Sheet as at December 31, 1965

ASSETS

CURRENT:

Cash	\$	12,070.88	
Emergency Gold Mining Assistance receivable		2,295.49	\$ 14,366.37
Investments in other companies — at cost less proceeds of sales and amounts written off (quoted market value of marketable securities \$390,800)			317,223.35
Mining properties — at cost, Whitney Twp.			1,662,492.96
Outside exploration			12,931.76
			<u>\$ 2,007,014.44</u>

LIABILITIES

CURRENT:

Accounts payable and accrued liabilities	\$	2,955.80	
Broulan Reef Mines Limited — accrual for Gold Mining Assistance		1,032.99	\$ 3,988.79

SHAREHOLDERS' EQUITY

CAPITAL STOCK: (see note)

Authorized: 6,000,000 shares of par value of \$1.00			
Issued: 4,790,601 shares		4,790,601.00	
Less: Discount on shares issued		2,691,260.95	
		<u>2,099,340.05</u>	
Deficit — per statement		96,314.40	2,003,025.65
			<u>\$ 2,007,014.44</u>

NOTE: During the year 170,538 shares were issued in settlement of exploration and development costs of \$42,634.

Approved on behalf of the Board:

“H. F. BROWNBILL”, Director.

“FRANK G. LAWSON”, Director.

HUGH-PAM PORCUPINE MINES LIMITED

Statement of Operations

for the year ended December 31, 1965

REVENUE:

Bullion recovery	\$112,815.92	
Less: Marketing expense	841.98	\$111,973.94
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Emergency Gold Mining assistance claimed		30,697.98
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		142,671.92

EXPENDITURE:

Mine operating costs	164,965.12	
Head office administrative and general expense (including directors' fees of \$325)	6,386.38	171,351.50
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Operating loss		28,679.58
Deduct: Portion accruing to Broulan Reef		3,438.54
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		25,241.04
Interest and dividends (net)		12,289.96
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Net loss for the year		\$ 12,951.08
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Statement of Deficit

as at December 31, 1965

Deficit, December 31, 1964		\$231,402.41
Add: Net loss for the year	\$ 12,951.08	
Pre-production expenditure written off	226,564.07	239,515.15
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		470,917.56
Deduct: Realized gain on disposal of investments	105,976.15	
Liability payable only out of profits — written off (see note below)	268,627.01	374,603.16
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Deficit, December 31, 1965		\$ 96,314.40
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NOTE: Mining operations ceased September 1965, but should they be resumed profitably under the present operating agreement, some portion or all of this amount could again become payable.

HUGH-PAM PORCUPINE MINES LIMITED

Auditors' Report

To the Shareholders of
Hugh-Pam Porcupine Mines Limited:

We have examined the balance sheet of Hugh-Pam Porcupine Mines Limited as at December 31, 1965, and the statements of operations and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We are unable to form an opinion as to the value of mining properties still shown at original cost. Subject to this qualification we report that in our opinion the accompanying balance sheet and statements of operations and deficit present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

SIME, AYERS & CO.,
Chartered Accountants.

Toronto, Canada.
April 27, 1966.

